

Goal: ECONOMIC VITALITY

Desired Community Condition(s)

The economy is diverse and broad-based.

Program Strategy: ECONOMIC DEVELOPMENT

39511

Recruitment, expansion, and retention of local businesses.

Department: CHIEF ADMINISTRATIVE OFFICER

Service Activities

Office of Economic Development

Strategy Purpose and Description

The purpose is to encourage job, wage, and benefits growth by supporting efforts to recruit appropriate new businesses, and expand and retain local businesses by providing staff support for Industrial Revenue Bond requests and information on other incentive programs, working with potential new or expanding economic base businesses to provide rapid access to city services and city infrastructure support, and promoting business revitalization.

The national recession has been felt in the local economy for the past two years, with decreases in business expansions and recruitment, and an increase in facility closures. Corresponding decreases in some industries have been seen in employment and wages.

This is achieved by responding in a timely manner to prospective businesses, understanding the business environment and city policies, and strong on-going relations with Albuquerque Economic Development staff and other state economic development organizations in developing these targeted initiatives through the industry cluster work.

Changes and Key Initiatives

Continue to work with other City departments to assist in streamlining processes for desirable economic development projects.

Collaborate with other economic development organizations to develop a strong local and external marketing program.

Continue to evaluate incentive programs in other communities for potential application in Albuquerque for recruitment, expansion/retention, and business formation.

Input Measure (\$000's)

2001	110	110 GENERAL FUND	120
2002	110	110 GENERAL FUND	120
2003	110	110 GENERAL FUND	50
2004	110	110 GENERAL FUND	41
2005	110	110 GENERAL FUND	50
2006	110	110 GENERAL FUND	50

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Reduced unemployment in the MSA	% Metro unemployment	2001			3.7% / 3.6%	Data is reported as annual average for 2001
	% Bernalillo County unemployment	2002			4.7% / 4.5%	Data reported as annual average for 2002

% Metro unemployment	2003	NA			
% Bernalillo County unemployment					
	2004	NA	5.5%; 5.3%	Annual average for 2003	
	2005	TBD	5.2% / 5.1%	Annual average for 2004	
	2006	TBD			

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Higher wages in the MSA	Growth % in Average manufacturing weekly wages	2001			10%	June 2000 to June 2001
	Growth % in Average weekly manufacturing wages	2002			0.4%	Data reported as annual average for 2002
		2003	NA			
		2004	NA		5.1%	Annual average 2002-2003
		2005	TBD		2.9%	Annual average 2003-2004
		2006	TBD			

Goal: **ECONOMIC VITALITY**
Parent Program Strategy: **ECONOMIC DEVELOPMENT**
Department: **CHIEF ADMINISTRATIVE OFFICER**

Service Activity: Office of Economic Development

3966000

Service Activity Purpose and Description

Economic Incentive Programs, including Industrial Revenue Bond Program: Meet with bond applicant, bond attorneys, and city legal staff to determine project eligibility for IRBs and scheduling. Analyze request and write staff report. Review other state and local incentives.

The national recession continued to have a negative effect on the local economy, with unemployment rising in 1992. Several companies announced closures or reductions in employment, particularly in the semiconductor and telecommunications industries, as well as some financial services companies.

Changes and Key Initiatives

Review revisions to Industrial Revenue bond process and criteria; analyze process for Local Economic Development Act and Community Dev't. Incentive Act. Review additional incentive options.

Continue "continuing education program" for service professionals about available incentives for their clients.

Continue aggressive recruitment and expansion/retention programs.

Input Measure (\$000's)

2002	110	110 GENERAL FUND	120
2003	110	110 GENERAL FUND	50
2004	110	110 GENERAL FUND	41
2005	110	110 GENERAL FUND	50
2006	110	110 GENERAL FUND	50

Strategic Accomplishments

FY/02: In conjunction with Council Services, contracted for a review of City's Industrial Revenue Bond program. This includes a review of criteria and processes, comparisons with other jurisdictions, and extensive community input. State legislature approved funding for In-plant training, an important program for recruitment, retention, and expansion-launch of the "nmsitesearch.org" website.

FY03: Developed recommendations for revised IRB process, including a streamlined and lower cost process for small to mid-sized businesses, and standardized lease provisions. AED and Greater Albuquerque Chamber established a strong expansion/retention program.

FY/05: Expanded support for expansion/retention program for existing businesses; IRB reforms and revised criteria completed and implemented; Local Economic Development Act and Community Development Incentive Act passed. Database created for IRB companies to assess performance. IRBs for Eclipse Aviation passed; IRBs for Ktech Corporation pending as of March, 2005.

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
# of IRB requests	2001			4	
	2002	N/A		0	
# of IRB requests					
# of IRB requests	2003	N/A		4	As of March 03, three IRBs reviewed by Council, two passed.
	2004	0		1	Eclipse Aviation
	2005	0		2	Office does not control requests measure tracked was changed to issued IRBs
	2006	0			